existing Land Mortgage Bank for one month in 1114, pending its actual absorption by the Credit Bank.

42. *State Life Insurance (Public Branch).*—The Public branch of the State Life Insurance scheme has just entered the fifth year of its operations. Its increasing popularity is evident from the huge volume of business secured in a short period of 4 years. 5376 proposals for nearly 49 lakhs have been received so far and policies assuring a total sum of Rs 34 lakhs have already been issued. The monthly premium receipts now range between Rs. 12,000 and Rs 15,000. The balance to the credit of the Fund stood at Rs. 2·26 lakhs at the beginning of the current year and it is expected that the Fund will have Rs 3·66 lakhs to its credit at the end of the year and Rs 5·41 lakhs at the end of 1114. The expense ratio is expected to remain at 14 per cent. or even below. The accounts of the Fund are kept separate and Government have no financial commitments with regard to the guarantee of interest as in the Official Scheme. In spite of this, the interest yield on the Fund is satisfactory and the actual yield for 1112 was well above 3 per cent.

43. *State Life Insurance (Official Branch).*—The policies in force at the beginning of the year were 643 and the Fund balance stood at Rs 4·5 lakhs.

The actuarial valuation of the Fund for the quinquennium ended 31st Karkatagom 1111 completed during the year, disclosed a surplus of Rs 99,932 including carried forwards from the previous valuations and a simple Reversionary Bonus of 1¼ per cent. per annum was declared.

44. *The State Provident Fund.*—The State Provident Fund was instituted in the year 1107 with the object of making provision for Government employees in their old age or for their families in case of their premature death. The scheme maintained its record of progress during the year also. It has become popular and up to 3rd Mithunam 1113, 11134 accounts have been opened of which 10418 are effective. The closing balance for the current year is expected to reach Rs 9·34 lakhs and Rs 11·54 lakhs at the end of 1114.

45. *Cochin Harbour.*—According to the agreement of 1925 one-third of the cost of the fourth stage works in the Harbour estimated to cost Bh. Rs 92·83 lakhs is payable by this Government. Of this Rs 22 lakhs has already been paid and a provision of

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Rs 9·16 lakhs has been made for final payment in the next year. The share payable by this Government towards the purchase of a Dredging Plant for the Harbour has been paid to the Harbour authorities and repayments in respect of the loan advanced last year have already begun with interest at 4 per cent. per annum.

46. *Assets and Liabilities.*— I furnish on pages 11 and 12 of the budget estimates the usual statements of assets and liabilities. The Government balance at the end of the next year is estimated at Rs 90·36 lakhs including the General Reserve Fund of Rs 60·55 lakhs, the Revenue Reserve Fund of Rs 12 lakhs and the Sinking Fund Reserve of Rs 15·79 lakhs. This includes the sum of Rs 184·38 lakhs representing the estimated expenditure on remunerative schemes shown under Debt Heads to the end of 1114. We have financed hitherto capital expenditure on schemes, both productive and non-productive, to the extent of Rs 3·75 crores. The Government five per cent. loan of 1091 has already been secured by investments in gilt-edged securities and the recent $3\frac{1}{2}$ per cent. loan and special loans are more than covered by the value of our remunerative assets. Our gilt-edged surplus investments amount to Rs 150·29 lakhs and our other liquid assets to more than Rs 100 lakhs.

47. *Ways and Means.*—Our surplus investments in Government of India Securities and short-term deposits in Banks which stood at Rs 196·09 lakhs at the beginning of the year are expected to stand at Rs 202·20 lakhs at the close of the year on account of further investments during the year in short-term deposits. Our closing cash balances at the end of the current year are estimated at Rs 52·16 lakhs.

With a view to finance the estimated programme of our capital schemes both productive and non-productive and to maintain adequate cash balance in our Treasuries and the Banks, it is proposed to credit the short-term deposits in Banks when they mature and also to withdraw Rs 25·44 lakhs next year from our surplus investments. The investment account which will be operated on to finance our programme, both productive and non-productive, and which will keep in view the maintenance of adequate balances in our Treasuries and in approved Banks, is estimated to stand at Rs 150·29 lakhs at the close of the next year. Our closing cash balance at the close of the ensuing year is expected to amount to Rs 40·97 lakhs. The general financial position of the State can, therefore, be asserted to be thoroughly sound and satisfactory.

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